

## Message Text

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ORIGIN EUR-12

INFO OCT-01 ISO-00 SP-02 USIA-15 AID-05 EB-07 NSC-05  
EPG-02 TRSE-00 SS-15 STR-04 OMB-01 CEA-01 CIAE-00  
COME-00 FRB-01 INR-07 NSAE-00 XMB-04 OPIC-06  
LAB-04 SIL-01 DODE-00 PM-04 H-02 L-03 PA-02  
PRS-01 FTC-01 SEC-01 JUSE-00 /107 R

DRAFTED BY EUR/WE:EJBEIGEL:MS  
APPROVED BY EUR/WE - MARK C. LISSFELT  
-----190025Z 073429 /21  
P 182023Z MAY 77  
FM SECSTATE WASHDC  
TO AMEMBASSY ROME PRIORITY

UNCLAS STATE 114438

E.O. 11652: NA

TAGS: PINT, US, IT

SUBJECT: LOCKHEED CASE

1. LOCKHEED CHAIRMAN HAACK DISCLOSED IN WALL STREET JOURNAL INTERVIEW MAY 17 THAT SPECIAL REVIEW COMMITTEE STUDYING COMPANY MARKETING PRACTICES HAD COMPLETED ITS REPORT WHICH LOCKHEED DIRECTORS WILL BY JUNE 16 DECIDE WHETHER TO PUBLISH IN FULL OR ENDEAVOR TO KEEP CERTAIN PAYOFF NAMES CONFIDENTIAL. ARTICLE CONCLUDES AS FOLLOWS.

2. TEXT: IN PART, THE COMPANY'S PROSPECTS FOR KEEPING BRIBE-TAKERS CONFIDENTIAL COULD DEPEND ON THE STATE DEPARTMENT'S ASSESSMENT OF PROBABLE DAMAGE TO U.S. FOREIGN RELATIONS. QUOTE: I'LL CONFIRM THAT THERE HAVE BEEN CONVERSATIONS WITH LOCKHEED ALERTING US TO THE POSSIBLE FOREIGN IMPLICATIONS,END QUOTE, SAYS MARK FELDMAN, THE DEPARTMENT'S DEPUTY LEGAL ADVISER. THE AGENCY OBVIOUSLY UNCLASSIFIED

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CAN'T DECIDE WHETHER TO INTERVENE IN ANY COURT PROCEEDING UNTIL IT HAS STUDIED THE PAYOFF REPORT, MR. FELDMAN ADDS. THE DEPARTMENT SAYS IT DOESN'T SEEK TO PROTECT ANY U.S. CONCERN FROM THE CONSEQUENCE OF ILLICIT CONDUCT. BUT A GOVERNMENT BRIEFING PAPER SAYS DISCLOSURES OF FOREIGN BRIBES QUOTE HAVE CAUSED SERIOUS INJURY TO U.S. FOREIGN RELATIONS. END QUOTE.

QUOTE MANY FOREIGNERS HAVE BEEN ANGERED OVER UN-SUBSTANTIATED CHARGES MADE AGAINST OFFICIALS IN THEIR COUNTRIES, WHETHER SPECIFICALLY NAMED OR NOT, END QUOTE THE PAPER SAYS. QUOTE THEY HAVE NOTED THAT THE U.S. IS A STRONG SOCIETY THAT CAN HANDLE THIS KIND OF A PROCESS BUT HAVE SUGGESTED THAT OTHER COUNTRIES MAY BE SERIOUSLY DAMAGED BY IT. THEY MAKE THE POINT THAT AS A LEADER OF THE FREE WORLD THE U.S. SHOULD TAKE INTO ACCOUNT THE INTERESTS OF ITS ALLIES. END QUOTE. THE CENTRAL INTELLIGENCE AGENCY IS ALSO TRACKING THE IMPACT OF PAYOFF DISCLOSURES WITH PARTICULAR CARE. LAST YEAR, THE CIA STATION CHIEF IN ROME SOUGHT AN APPOINTMENT WITH THEN-SEC CHAIRMAN RODERICK HILLS QUOTE TO DISCUSS THE POTENTIAL DELETERIOUS EFFECT OF LOCKHEED DISCLOSURES ON THE POLITICAL FABRIC OF ITALY. END QUOTE. ACCORDING TO A GOVERNMENT MEMO DATED MARCH 10, 1976, THE STATION CHIEF, IDENTIFIED AS ROCKY STONE, IS A QUOTE PERSONAL FRIEND END QUOTE OF OVIDIO LEFEBRE, A LOCKHEED CONSULTANT QUOTE ON WHOM THE CURRENT PRESIDENT OF ITALY STRONGLY RELIES. END QUOTE. MR. LEFEBRE HAS ALSO BEEN IDENTIFIED IN SENATE HEARINGS AS AN INTER-MEDIARY FOR BRIBES TO RANKING POLITICAL FIGURES IN ITALY. THE CIA DENIES THAT IT ENCOURAGED U.S. CORPORATIONS TO FUNNEL PAYMENTS TO FRIENDLY FOREIGN POLITICIANS. END TEXT. CHRISTOPHER

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## Message Attributes

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**Current Classification:** UNCLASSIFIED  
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**Review Markings:**  
Margaret P. Grafeld  
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